

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

THE AGRICULTURAL SITUATION

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS,
UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

Vol. IX, No. 4.

April 1, 1926.

CROP PLANS ABOUT LIKE LAST YEAR

Reports received last month from about 50,000 producers indicated intentions to increase the acreage of oats 4.6 per cent, barley 5.7 per cent, white potatoes 4.3 per cent, sweet potatoes 19.6 per cent; and to decrease spring wheat 1.8 per cent, grain sorghums 1.7 per cent and peanuts 8 per cent as compared with last year. The reports indicated intentions to keep practically the same acreage of corn, hay, tobacco and flax.

The acreages that will actually be planted will depend, of course, upon weather conditions and other influences at planting time. However, the foregoing figures may probably be taken as a fairly accurate index of the plans farmers have in mind for this season's crops. The outstanding thing in these reports is the evidence of general stability that once more appears to underlie the production program, considered as a whole. The crop story since 1919 has been, roughly, two years of heavy surpluses, two years of readjustment and two years of fairly stable adjustment.

Of the three main feed grains, corn, oats, and barley, the reported intention is to plant 157 1/2 million acres against 155 million last year. The contemplated increase is in oats and barley, the intended corn acreage being practically the same as last year. On the one hand, farmers are faced with the possibility that average yields on such an acreage, plus this year's carryover of grain, might hinder improvement in feed prices. On the other hand, there appears to be a widespread feeling that with the current improvement in the livestock situation, an abundance of feed crops would be a highly desirable thing this year.

Among the chief money crops, the reported plans to increase potato acreage slightly and to decrease spring wheat slightly (though with a substantial increase in Durum) are quite conservative, if carried out. Sweet potato growers report a contemplated increase which would result in a relatively large acreage. The reports indicate an intended increase of 8 per cent in burley tobacco acreage, in spite of large stocks, but cigar types would apparently be decreased 13 per cent. No "intention" information on cotton has been gathered by this Bureau, this being specifically prohibited by national legislation. Taken as a whole, this spring's crop plans reflect a balance and stability which represent, to some extent, a measure of the ground gained since 1921.

KEY REGIONS AT A GLANCE

THE EAST - Making maple sugar in north and getting ready for spring work. Plowing and field work in progress further south with early vegetables and seed beds planted. Winter grains and fruit trees apparently have come through winter in good shape. General tone rather more optimistic than last spring.

THE SOUTH - Spring work getting into full swing but hindered by rains and now generally about one week late. Cotton, corn, potatoes and other crops being planted; potatoes up in some sections. Early truck crops show fairly good progress in Gulf territory. Considerable thinning of peach crop by frost in Georgia, Alabama, northeastern Texas and elsewhere.

CORN BELT - Rain and bad weather have delayed spring work. Some plowing done and some oats sown in more southern sections. Pastures and grass starting up. Winter wheat varies in condition but poor stands appear to be rather frequent, especially eastward. Seed corn testing reveals much poor germination. Outlook among hog producers regarded as favorable for this year, with high prices being paid for sows.

WHEAT BELT - Winter wheat generally starting well, apparently little winterkilling. Been too dry in western Kansas and northward. Plowing made good progress in north and seeding of spring wheat is well forward.

RANGE COUNTRY - New grass now on the ranges. Livestock in good condition. Cattle moving out on range. Lambing in progress with very favorable weather attending and prospect of large crop. Heavy shipments of lambs to market in south. Snow in mountains considered insufficient in portions of Utah and Nevada.

PACIFIC COAST - The coast is getting off to an excellent start this spring. The weather has been very favorable except for dryness in the south. Winter wheat flourishing, spring grains are up and doing well, potatoes and early vegetables likewise. Fruit already setting on peach, cherry, pear, prune and apricot trees. Navel orange harvest nearing end, picking of Valencias begun.

INTENDED PLANTINGS IN 1926 IN PER CENT OF ACREAGE GROWN FOR HARVEST IN 1925

Crop	United States	North Atlantic	North Central	South Atlantic	South Central	Western
	Per Cent	Per Cent	Per Cent	Per Cent	Per Cent	Per Cent
All Spring Wheat.....	98.2	125.0	101.4	- - -	- - -	90.6
Durum Wheat (4 States)...	119.5	- - -	120.6	- - -	- - -	80.2
Other Spring Wheat.....	92.0	125.0	92.7	- - -	- - -	89.7
Flaxseed.....	100.4	- - -	101.6	- - -	- - -	87.8
Corn.....	99.9	101.6	99.1	100.3	102.2	99.3
Oats.....	104.6	104.2	101.9	115.7	133.5	98.9
Barley.....	105.7	114.6	105.8	104.9	133.7	100.8
Grain Sorghums.....	98.3	- - -	105.2	- - -	95.0	112.4
Tame Hay.....	100.7	98.8	100.2	106.6	104.3	99.7
Potatoes, Irish.....	104.3	98.9	100.8	111.0	117.0	114.0
Potatoes, Sweet.....	119.6	125.0	104.5	120.8	119.0	125.0
Tobacco.....	99.4	81.2	97.0	102.8	97.1	- - -
Peanuts.....	92.0	- - -	- - -	83.6	110.0	- - -
Rice.....	101.4	- - -	- - -	100.0	97.7	130.1

With average yields, the production of feed crops may be larger than can be disposed of with available livestock. Increases in livestock should not be made without considering the probable effect on the market. The intended acreage of corn with average yields would allow little chance for change in the corn situation. An oat crop equal to that of last year would probably result in continued unsatisfactory conditions in the market. A barley crop as large as intended would probably allow no improvement in the market unless a short European crop should increase export demand.

With average yields, hard spring wheat would probably be a more profitable cash crop to grow than any other small grain in the principal hard spring wheat region, even with a slight increase in acreage. While the outlook for flax is not quite so favorable, farmers operating where flax ordinarily supplements wheat on low priced land will probably find no alternative more desirable than flax.

The slight increase in potato acreage for the country as a whole seems reasonably safe but there are marked differences in plans in different sections, and overproduction should be guarded against in some localities, particularly in the West. It is highly improbable that an increased crop of sweet potatoes as large as intentions indicate could be marketed at satisfactory prices. Increases in acreage of certain types of tobacco such as Burley and Maryland export types, with average yields, may result in excessive supplies. Decreases are indicated by growers of cigar types and dark types which would bring the total production of all tobacco slightly below 1925. The outlook for 1926 indicates that the slight changes contemplated by farmers in acreage are in accord with the prospect that there is little likelihood of a material increase in demand for farm products in either the domestic or foreign markets.

AVERAGE PRICES OF FARM PRODUCTS RECEIVED BY PRODUCERS

March 15, 1926.

Actual prices received by producers at local farm markets as reported to the Division of Crop and Livestock Estimates of this Bureau. Average of reports covering the United States, weighted according to relative importance of district and State.

	5-yr. Av. Aug.1909- July,1914	Mar. Av. Aug.1909- July,1914	Mar. 1925	Feb. 1926	Mar. 1926
Cotton, per lb.	¢ 12.4	12.4	24.5	17.7	16.5
Corn, per bu.	¢ 64.2	61.3	112.1	68.5	66.6
Wheat, per bu.	¢ 88.4	88.9	164.0	155.5	146.0
Hay, per ton	\$ 11.87	12.06	12.39	12.93	12.97
Potatoes, per bu.	¢ 69.7	67.5	71.4	226.0	225.6
Oats, per bu.	¢ 39.9	40.3	49.7	39.2	38.8
Beef cattle, per 100 lbs.	\$ 5.22	5.29	6.18	6.42	6.65
Hogs, per 100 lbs.	\$ 7.23	7.41	11.83	11.76	11.65
Eggs, per dozen	¢ 21.5	19.3	23.9	28.9	24.1
Butter, per lb.	¢ 25.5	25.6	39.5	42.7	41.7
Butterfat, per lb.	¢ ----	----	41.5	43.1	42.9
Wool, per lb.	¢ 17.7	18.7	43.0	37.8	34.7
Veal calves, per 100 lbs.	\$ 6.75	6.92	9.21	9.86	9.75
Lambs, per 100 lbs.	\$ 5.91	6.22	13.48	12.02	11.56
Horses	\$142.00	144.00	81.00	80.00	82.00

The farm prices of grain crops continued to decline From February 15 to March 15, 1926. The only farm products to make even small price gains were beef cattle, chickens, horses, hay and cottonseed. Farm prices of wheat, rye, flaxseed and cotton dropped 6 per cent or more during this period. Livestock and livestock products held fairly well with the exception of eggs, wool and sheep prices. Potatoes remained at the season's high level.

For the first time in a year hog prices are lower than for the corresponding month the year before. Sheep, lambs, and wool are also lower than a year ago. The higher prices of butter and butterfat are reflected in higher prices for dairy cows. All crops, except hay and potatoes were lower on March 15, 1926, than a year ago. The feed grains and rye have suffered the greatest declines.

PRICE INDEXES FOR FEBRUARY, 1926.

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics, (latter shown to nearest whole number.) Shows year ago, and latest available month:

Farm Products

(Prices at the farm, Aug. 1909 - July 1914 = 100.)

	<u>Feb.</u> <u>1925</u>	<u>Jan.</u> <u>1926</u>	<u>Feb.</u> <u>1926</u>	<u>Month</u> <u>Trend</u>
Cotton	185	139	143	Higher
Corn	178	108	107	Lower
Wheat	192	179	176	Lower
Hay	108	112	109	Lower
Potatoes	104	316	324	Higher
Beef cattle	109	121	124	Higher
Hogs	133	152	162	Higher
Eggs	166	169	134	Lower
Butter	152	174	167	Lower
Wool	243	218	212	Lower

Commodity Groups

(Wholesale Prices; 1910-1914 = 100.) 1/

	<u>Feb.</u> <u>1925</u>	<u>Jan.</u> <u>1926</u>	<u>Feb.</u> <u>1926</u>	<u>Month</u> <u>Trend</u>
Farm products	162	152	150	Lower
Food, etc.	156	155	152	Lower
Cloths & clothing	195	189	188	Lower
Fuel & lighting	206	205	208	Higher
Metal & met. products	145	138	138	Unchanged
Bldg. materials	188	183	182	Lower
Chemicals, etc.	133	132	131	Lower
House-furnishing goods	178	170	170	Unchanged
<u>ALL COMMODITIES</u>	164	159	158	Lower

1/ Bureau of Labor Statistics index numbers converted to 1910-1914 base.

RELATIVE PURCHASING POWER

(At February 1926 Farm Prices)

Aug. 1909 - July, 1914 = 100

<u>In terms of:</u>	<u>Of a Unit of:</u>				
	<u>Cotton</u>	<u>Corn</u>	<u>Wheat</u>	<u>Hay</u>	<u>Potatoes</u>
All commodities	90	68	111	69	205
Cloths, etc.	76	57	94	58	173
Fuel, etc.	69	51	85	52	156
Metals, etc.	104	78	128	79	236
Bldg. Materials	78	58	96	60	178
House-furnishing goods	84	63	104	64	191

	<u>Beef Cattle</u>	<u>Hogs</u>	<u>Eggs</u>	<u>Butter</u>	<u>Wool</u>
All commodities	78	103	85	106	135
Cloths, etc.	66	87	72	89	113
Fuel, etc.	59	78	65	80	102
Metals, etc.	90	118	98	122	154
Bldg. materials	68	89	74	92	116
House-furnishing goods	73	96	79	99	125

The unit purchasing power of hogs rose above the pre-war level during February, reaching again the figure of last August. Presumably this represents a price relationship that will stimulate hog production. The purchasing power of potatoes is so high as to almost certainly increase the acreage this spring.

The general index of purchasing power of farm products, in terms of non-agricultural commodities, continued at 87, at which point it has stood for 5 months.

GENERAL BUSINESS INDICATORS
RELATED TO AGRICULTURE

	1925 Feb.	1926 Jan.	1926 Feb.	Month's Trend
<u>PRODUCTION</u>				
Pig iron daily (Thou. tons)	115	107	104	Decrease
Bituminous coal (Millions tons)	39	54	47	Decrease
Automobiles shipped (Thou. carloads)	40	51	59	Increase
<u>CONSUMPTION</u>				
Cotton by mills (Thou. bales)	551	583	567	Decrease
Unfilled orders Steel Corp. (Thou. T.)	5,285	4,883	4,617	Decrease
Building contracts (Millions dollars)	253	378	288	Decrease
Hogs slaughtered (Thousands)	3,010	2,721	2,035	Decrease
Cattle " "	967	1,144	1,013	Decrease
Sheep " "	711	856	863	Increase
<u>MOVEMENTS</u>				
Bank clearings (N.Y.) (Billions dollars)	21	27	21	Decrease
Car loadings (Thousands)	3,623	4,432	3,676	Decrease
Mail order sales (Millions dollars)	34	38	36	Decrease
Men employed, N. Y. State Factories (Thou.)	505	513	515	Increase
Av. price 25 indus. stocks (Dollars)	138	180	180	Unchanged
Interest rate (4-6 mo. paper, N. Y.)	3.66	4.38	4.13	Decrease
Retail Food Price Index (Dept. Labor)*	151	164	162	Lower
Wholesale Price Index (Dept. Labor)*	161	156	155	Lower

The stock market has lately undergone some sharp declines. Wholesale prices have been showing a tendency to decline. There is some unrest among labor in the building and textile trades. Many observers are wondering whether these and other signs point to any substantial business recession.

So far, however, general industrial activity continues at a high level and the broad picture of urban conditions is one of prosperity. Nothing has transpired in the consuming community as yet which appears to be having any unusual effect upon farmers' plans for this spring.

- 8 -
GENERAL TREND OF WAGES AND PRICES

1910-1914 =100

<u>Year and Month</u>	<u>General Wage Level</u>	<u>Farm Wages 2/</u>	<u>Retail Price of Food 1/</u>	<u>Wholesale Price of Food 1/</u>	<u>Wholesale Price All Commodities</u>
	N.Y. factory workers				Bureau of Labor Statistics
1910	---	97	96	100	103
1911	---	97	95	96	95
1912	---	101	101	103	101
1913	---	104	103	99	102
1914 (June)	100	101	106	101	100
1915	101	102	104	104	103
1916	114	112	117	120	129
1917	129	140	151	166	180
1918	160	176	174	187	198
1919	185	206	192	205	210
1920	222	239	210	218	230
1921	203	150	158	143	150
1922	197	146	146	137	152
1923	214	166	151	143	156
1924	218	166	150	143	152
1925	223	---	160	156	162

1925

January	223	156	159	159	163
February	220	---	156	156	164
March	224	---	156	158	164
April	218	163	155	153	159
May	221	---	156	152	158
June	220	---	160	154	160
July	220	170	165	156	163
August	222	---	165	158	163
September	223	---	164	159	163
October	225	173	167	157	160
November	226	---	172	159	160
December	229	---	171	156	159

1926

January	229	160	169	155	159
February	225	---	166	152	158

- 1/ Bureau of Labor Statistics index numbers converted to 1910-1914 base.
2/ Index based on both monthly and daily wages.

NEW INDEX OF GENERAL TREND OF PRICES
On Five-Year Base, August, 1909 - July, 1914 = 100

Year and Month	Index numbers of farm prices							Wholesale Prices of Non-Agricultural Commodities 1/	Relative purchasing power of Farmer's Product 2/
	Grains	Fruits and Vegetables	Meat Animals	Dairy & Poultry Products	Cotton and Cotton-seed	Unclassified	All Groups 30 Items		
1910	104	91	103	101	113	102	103	102	101
1911	96	106	87	95	101	103	95	96	99
1912	106	110	95	103	87	106	99	100	99
1913	92	92	108	100	97	94	100	105	95
1914	103	100	112	101	85	95	102	97	105
1915	120	83	104	99	78	95	100	101	99
1916	126	123	120	106	119	100	117	138	85
1917	217	202	173	133	187	130	176	182	97
1918	226	162	202	160	245	157	200	188	107
1919	231	189	206	182	247	162	209	199	105
1920	231	249	173	197	248	152	205	241	85
1921	112	148	108	151	101	90	116	167	69
1922	105	152	113	135	156	94	124	168	74
1923	114	136	106	147	216	109	135	171	79
1924	129	124	109	137	211	100	134	162	83
1925	156	160	139	143	177	92	147	165	89
1925									
Jan.	172	122	123	154	182	94	146	165	88
Feb.	178	131	126	142	183	96	146	167	88
Mar.	172	138	145	134	195	94	151	165	91
Apr.	152	146	146	131	189	94	147	162	90
May	159	162	139	132	184	87	146	161	90
June	164	184	139	132	183	86	148	163	91
July	152	178	148	134	186	88	149	164	91
Aug.	157	178	149	139	186	96	152	164	93
Sept.	148	142	143	141	178	90	144	163	88
Oct.	135	152	141	154	171	90	143	164	87
Nov.	138	194	136	162	144	95	144	166	87
Dec.	140	194	136	163	139	92	143	165	87
1926									
Jan.	143	214	140	153	138	87	143	165	87
Feb.	140	218	146	144	142	87	143	164	87

1/ Computed by Bureau of Labor Statistics from wholesale prices of all commodities except those from United States farms, 1910-1914 = 100. 2/ The value of a unit of the farmer's product in exchange for non-agricultural products at wholesale prices, compared with pre-war values. Obtained by dividing index of all groups (30 items) by index of wholesale prices of non-agricultural products.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this Bureau. All figures given to nearest thousand, that is, three ciphers omitted:

Month	WHEAT Receipts Th. bu.	CORN Receipts Th. bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1920 Total	332,314	210,332	42,121	22,197	23,538	402,755
1921 "	435,606	340,908	41,101	19,787	24,168	468,150
1922 "	413,106	378,598	44,068	23,218	22,364	526,714
1923 "	386,430	271,858	55,330	23,211	22,025	545,380
1924 "	482,007	278,719	55,414	23,695	22,201	587,477
1925 "	346,381	223,604	43,929	24,067	22,100	574,489
1920 Feb.	16,397	24,251	3,422	1,480	1,416	24,019
1921 "	21,384	26,026	4,009	1,190	1,516	23,962
1922 "	21,851	59,558	3,613	1,416	1,400	32,309
1923 "	21,533	31,901	4,492	1,427	1,366	33,611
1924 "	20,165	44,689	5,335	1,457	1,412	40,221
1925 Jan.	23,247	35,820	6,105	1,869	1,467	37,781
" Feb.	18,493	20,833	4,558	1,530	1,388	35,181
" Mar.	16,925	23,868	3,528	1,860	1,504	40,725
" Apr.	10,023	9,810	3,247	1,827	1,541	42,141
" May	17,896	11,935	3,283	1,737	1,689	56,838
" June	20,465	17,381	3,507	1,746	1,603	74,171
" July	37,919	9,662	2,798	1,970	1,699	69,970
" Aug.	41,928	17,488	2,549	2,245	2,064	57,556
" Sept.	57,756	12,889	2,741	2,157	2,627	45,005
" Oct.	34,111	12,187	3,390	2,789	3,198	43,467
" Nov.	33,948	19,144	3,844	2,282	1,712	35,455
" Dec.	33,670	32,587	4,380	2,056	1,608	36,199
1926 Jan.	19,076	28,268	4,304	1,840	1,548	39,424
" Feb.	15,923	25,718	3,372	1,551	1,486	39,507

Less grain moved to market during February than in same month of recent years.

Hog movement reflects the drastic decline in pig production last year. Cattle receipts slightly above comparable month in recent years. Sheep about like last year.

Butter receipts about like last year; but considerably heavier than during February of other recent years.

THE TREND OF EXPORT MOVEMENT

Compiled from Department of Commerce reports by Division of Statistical Research of this Bureau.

Month	WHEAT ^{1/} including flour	TOBACCO (Leaf)	BACON** HAMS AND SHOULDERS	LARD	TOTAL* MEATS	COTTON# running bales
	1,000 Bushels	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Bales
1920 Total	311,601	467,662	821,922	612,250	1,043,500	6,111
1921 "	359,021	515,353	647,680	868,942	786,280	6,385
1922 "	235,307	430,908	631,452	766,950	733,832	6,015
1923 "	175,190	474,500	828,890	1,035,382	958,472	5,224
1924 "	241,454	546,555	637,980	944,095	729,832	6,653
1925 "	138,786	468,469	467,459	688,829	547,361	8,362
1920 Feb.	10,832	39,764	100,109	36,645	125,634	634
1921 "	23,279	41,735	47,485	91,841	61,486	484
1922 "	11,231	25,846	56,003	75,520	62,647	326
1923 "	12,473	24,380	64,488	89,055	75,023	355
1924 "	10,326	38,414	81,108	99,910	90,461	470
1925 January	13,126	35,448	56,169	78,440	55,705	1,052
" February	11,800	23,806	48,041	60,363	55,438	792
" March	16,480	32,477	53,853	63,281	62,158	708
" April	12,912	30,519	33,413	44,447	39,303	440
" May	13,114	22,415	33,475	71,135	38,977	314
" June	10,922	27,460	39,690	59,799	45,398	211
" July	8,932	39,037	35,472	49,414	40,990	198
" August	12,007	34,890	31,770	45,740	38,250	313
" September	13,152	50,677	32,900	62,646	40,230	750
" October	9,113	52,211	30,706	44,745	37,071	1,414
" November	8,796	51,154	31,693	39,979	37,304	1,196
" December.	8,437	68,375	40,277	68,840	46,537	974
1926 January	5,587	46,891	46,654	76,670	53,833	735
" February	4,742	47,147	37,187	65,356	45,292	545

* Includes fresh, canned and pickled beef, bacon, hams and shoulders; fresh, canned, and pickled pork; fresh mutton and lamb.

** Includes Cumberland and Wiltshire sides.

Excludes linters.

1/ Wheat flour is converted on a basis of 4.7 bushels grain equal 1 barrel flour.

COLD STORAGE SITUATION

March 1 holdings (Shows nearest million, six figures omitted):

<u>Commodity</u>	<u>5-Year Average</u>	<u>Year Ago</u>	<u>Month Ago</u>	<u>March 1, 1926.</u>
Creamery butter, lbs.	19	29	39	26
American cheese, lbs	25	35	50	43
Case eggs, cases	27*	21*	578*	75*
Total poultry, lbs.	101	130	108	96
Total beef, lbs.	110	131	80	78
Total pork, lbs	782	865	556	612
Lard, lbs.	92	152	64	77
Lamb & mutton, lbs.	14,478*	2,294*	2,354*	3,432*
Total meats, lbs.	988	1,099	696	748

Dairy products and eggs continued a seasonal out-of-storage movement during February. Stocks of eggs, while reaching a low point, are still about three times the average.

A little net movement of beef out of storage during the month and stocks are well below average.

Pork stocks increased, as is usual, but are much below last year and average. The country has in storage about 240 million pounds of meat less than its average stocks.

* Thousands, or three figures, omitted.

THE DAIRY SITUATION

A month ago, the dairy situation was described as being supported in part by sentiment. At that time, it was recognized that some developments had taken place which could hardly be classed as favorable and which might even be regarded as unfavorable, but a feeling of optimism offset these and discounted any influence which otherwise might have caused the markets to slip. This sentiment was not entirely removed as March drew to a close, although it was quite evident that the situation had changed and was not so favorable as 30 days previous.

The most outstanding evidence of this change was found in butter markets. Throughout the month the tone was sensitive, almost daily price fluctuations occurred, with net price changes being sharp declines. Declining prices are not unusual during March, but this year the downward trend gained impetus early. Cheese prices were also lower.

Changes in the apparent production trend may be pointed to as the primary reason why prices have settled at these lower levels. In so far as production may be measured, there are evidences of an increase over last year approaching 10 per cent. This applies equally to all of the major manufactured products. When this is taken into consideration together with the inventory of stocks known to be on hand, the prevailing trend is not unexpected. On March 1, cold storage warehouses held 26,000,000 pounds of butter, as compared with a 5-year average of 19,000,000 pounds, while on the same date cheese stocks amounted to 43,000,000 pounds, compared with a 5-year average of 25,000,000 pounds. Stocks of concentrated milk held by manufacturers were likewise considerably higher on March 1 than they were last year, although it may be said that there was a healthy reduction of these stocks during February.

What the next few months' developments may be is at this time a mere matter of conjecture. The season is getting well under way, and is fully two weeks earlier than usual. Production has already gained over last year, but whether the pace established will be maintained depends not only upon weather conditions, but also upon other conditions which may affect prices. This in turn means that foreign as well as domestic supply and demand will be elements of influence. Considerable interest is centered in the effect of the recently announced increase in the butter tariff, which on April 5 advances from 8 to 12 cents per pound. So far, the announcement of this change has had no appreciable influence, for aside from domestic markets laboring under conditions mentioned above, prices in foreign markets have been at such a point recently as to remove the possibility of any imports of consequence. The increase in the butter tariff will obviously serve to further limit imports, although the final test of its effectiveness depends upon supply and demand conditions in foreign producing countries as well as here in the United States.

L. M. Davis,
Division of Dairy and Poultry Products, B.A.E.

- 14 -
DAIRY SITUATION
(Thousand lbs., i.e., 000 omitted)
BUTTER SUMMARY

	FEBRUARY			JANUARY AND FEBRUARY		
	1926	1925	% Change	1926	1925	% Change
Production (1)						
Creamery	85,293	77,539	+ 10.0	172,674	160,286	+ 7.7
Farm	32,770	33,335	- 1.7	68,324	69,502	- 1.7
Net imports	338	71 Ex.	-	2,172	53	-
In storage (1st)	39,381	45,748	- 13.9	52,785	65,694	- 19.7
In storage (end)	26,321	28,789	- 8.6	26,321	28,789	- 8.6
Trade output	131,461	127,762	+ 2.9	269,634	266,746	+ 1.1
Milk equivalent	2,760,681	2,683,002	+ 2.9	5,662,314	5,601,666	+ 1.1
Receipts 4 mkts	45,115	40,112	+ 12.5	90,095	82,689	+ 9.0

CHEESE SUMMARY

Production (2)	25,259	22,921	+ 10.2	50,759	46,402	+ 9.4
Net imports	2,796	2,478	-	7,244	5,881	-
In storage (1st)	67,531	58,461	+ 15.5	76,649	67,558	+ 13.5
In storage (end)	58,372	50,117	+ 16.5	58,372	50,117	+ 16.5
Trade output	37,214	33,743	+ 10.2	76,280	69,724	+ 9.4
Milk equivalent	372,140	337,430	+ 10.2	762,800	697,240	+ 9.4
Receipts Wisconsin warehouses	16,222	14,727	+ 10.2	32,623	29,788	+ 9.5

CONDENSED AND EVAPORATED MILK SUMMARY

Production (3)	98,989	87,774	+ 12.8	201,839	182,874	+ 10.4
Net exports	8,395	8,787	-	18,018	18,163	-
In Mfgers' hands (1st)	135,662	91,205	+ 48.7	156,190	123,428	+ 26.5
In Mfgers' hands (end)	118,222	90,869	+ 30.1	118,222	90,869	+ 30.1
Trade output	108,034	79,323	+ 36.2	221,789	197,270	+ 12.4
Milk equivalent	270,085	198,307	+ 36.2	554,472	493,175	+ 12.4

TOTAL MILK EQUIVALENT - BUTTER, CHEESE AND CONDENSED MILK

Production	2,979,385	2,776,999	+ 7.3	6,073,146	5,746,753	+ 5.7
Trade output	3,402,906	3,218,739	+ 5.7	6,979,586	6,792,081	+ 2.8

STOCKS OF DRY MILK

Skim milkBulk only (Mar.1)	4,107	4,311	1/1/26	4,399	1/1/25	6,735
Dry milk (Net)	113 Im.	252 Ex.		255 Im.		409 Ex.

(1) Estimated from Receipts on 4 principal markets.

(2) Estimated from Receipts at Wisconsin Warehouses.

(3) From Monthly Cond. and Evap. Milk Market Report of this Bureau.

THE EGG AND POULTRY SITUATION

The outstanding feature of the egg markets during March has been the rather firm position maintained in the face of conditions which, earlier, had threatened to result in a seriously depressed early spring market. Receipts at the terminal markets during the first half of March, as was the case in February, were considerably lighter than during the same period in March a year ago, but more recently this situation has been reversed and arrivals through the latter half of the month showed considerable gain.

While the markets have been rather erratic at times, the heavier receipts have apparently had little effect and prices have not only been sustained but have worked to slightly higher levels during the month. Current quotations at the close of March are still slightly below those of a year ago but the trend was toward a more favorable comparison in April. Continued featuring of eggs by selling organizations having wide direct-to-consumer outlets has aided in sustaining the consuming demand, has helped to clear current receipts, and has thus been of importance in maintaining the firm market tone. During the month export demand also was of material aid in this connection. South American countries purchased fairly heavily in New York, some 60,000 cases being sent to the Argentine, and Canada was reported as buying out of Chicago.

As is customary, a considerable part of the attention of the egg trade is now centered on the coming storage season. Into-storage movement is now under way at a fairly rapid rate in all parts of the country. While the carryover from last season was one of the largest on record, holdings at the close of March are only about half of what they were in 1925. This is largely explainable by the fact that the into-storage swing started this year about three weeks later than last, due to the restriction of receipts by the backward weather of early spring. Market sentiment leans to the belief that present prices are slightly high following the unprofitable outcome of the 1925-26 deal and the increases in production now reported. At any rate the course of production during the next few months will largely control the situation.

Poultry markets are in a strong position. While receipts the latter part of March have been heavier in anticipation of the Passover demand, as a general thing market arrivals have not equaled those of last year. Demand has been good both for live and dressed, and prices have tended slightly higher during the month, maintaining the margin of several cents over price levels prevailing last March. Storage stocks of dressed poultry are much lighter than a year ago, when stocks were exceptionally heavy, but are about equal to the normal holdings of the last five years. Reductions in holdings have been taking place at a rate practically as great as in 1925. This is regarded as favorable in view of the higher prices. Unless prices reach a level where demand would be restricted or receipts show unexpected increases, the present firm position of the poultry markets should continue.

C. E. Eckles,

Division of Dairy and Poultry Products, B. A. E.

POULTRY AND EGG SITUATION.

(Thousands, i.e. 000 omitted)

Stocks in Storage - March 1, 1926, - United States

	Shell eggs (Cases)	Frozen eggs (Pounds)	Dressed poultry (Pounds)
1926	75	24,174	95,587
1925	21	11,364	130,513
Change	+ 54	+ 12,810	- 34,926
Per cent	+ 257.1	+ 112.7	- 26.8
% change from 5-yr. av.	+ 177.7	+ 42.8	- 5.4

Imports and Exports of Poultry and Eggs. - Jan. 1 - Mar. 1, 1926.

	Imports	1926	1925	Exports	1926	1925
Shell eggs (dozens)		30	609		4,207	26,904
Whole egg, dried (Lbs.)		45	1,489			
Whole egg, frozen (Lbs.)		728	12,691			
Yolks, dried (Lbs.)		490	5,728	(1)	59	(1) 306
Yolks, frozen (Lbs.)		383	5,918			
Egg albumen, dried (Lbs.)		02	4,322			
Egg albumen, frozen or prepared		505	4,394			
Live poultry, (Lbs.)		84	2,072		64	741
Poultry or game, fresh				(2)	654	(2) 6,130
Dressed poultry, Lbs.)		1,093	3,066			

(1) Includes all forms of frozen and dried eggs. (2) Includes game.

Receipts and Apparent Trade Output at Four Markets - Eggs (Cases)

	Receipts	February Net storage Movement	App. trade output	Receipts	Jan. 1 - Feb. 28 Net storage Movement	App. trade output
1926	1,018	- 334	1,352	1,870	- 831	2,701
1925	1,130	- 51	1,181	1,695	- 650	2,345
Change	- 112		+ 171	+ 175		+ 356
Per cent	- 9.9		+ 14.5	+ 10.3		+ 15.2

Receipts and Apparent Trade Output at Four Markets - Dressed Poultry Lbs.)

	Receipts	February Net storage Movement	App. trade output	Receipts	Jan. 1 - Feb. 28 Net storage Movement	App. Trade output
1926	18,576	- 8,255	26,831	44,698	- 8,601	53,299
1925	19,383	- 3,983	23,366	46,968	- 1,496	48,464
Change	- 807		+ 3,465	- 2,270		+ 4,835
Per cent	- 4.2		+ 14.8	- 4.8		+ 10.0

VEGETABLES IN BRISK DEMAND

This is a season when demand even more than supply is the key to the market position. Production was light in some lines, but combined carlot supplies of fruits and vegetables have been nearly as great as last season. Prices have been generally higher, owing mainly to the active demand from a fully employed, well paid consuming public.

Products in storage, except apples, have been going out satisfactorily. The new crops have been rather light so far and mostly high in price. Earliest acreage, lettuce and onions excepted, was not large, but in the second-early sections many increases are reported.

POTATOES. Most of the heavy shipping States had a short crop of potatoes, but the consuming regions had still less. The situation implied active carlot movement from one group to the other. Local supplies in many sections were reported not more than half as large as those of a year ago. Good market openings occurred for the output of such potato regions as Maine and the Northwest, which had good crops, but small local demand, and could spare most of their production.

With the potato crop only three-quarters of last year's production, the carlot shipments may not fall off more than 15 to 20 per cent. Yet high prices have prevailed, generally two to four times the range of last season. The northern and eastern States, which ship about three-fourths of the current supply, average fully \$4 per 100 pounds at shipping points, compared with 50 cents to \$1.25 near the first of April in 1925.

Shipments have increased during the past month, running about 4,000 cars a week. March is always a month of heavy movement. Shipments of old potatoes are usually at least 15,000 cars in April, May and June even in a short crop season. Continued high prices are bringing out considerable stock of a kind not usually shipped to market. Some farmers seem to be making the mistake of saving inferior potatoes for planting. The underlying strength of the position is as great as ever, on the basis of reduced stocks, decreasing shipments from most sections, and moderately active demand. Usually in recent seasons of very short crops, these conditions have resulted in light supplies and rising prices in April and May.

The new potato crop started high at \$16 to \$17 per barrel. Indications are that many southern growers have changed their minds since reporting intention to reduce acreage. Instead of 10 per cent under last year there may be 14 per cent increase in the early shipping States. This is a remarkable instance of a wide-spread shift in plans after the situation became generally known. The increase should not greatly affect the clearance of old potatoes, but if this larger southern acreage turns out well, it will leave less market room for the mid-season and early northern output of new potatoes. For the present, owing to rather light yield in southern Florida and damage or delay by cold, wet weather elsewhere in the South, shipments are expected to be very moderate. The supply is not likely to be abundant until May and June, when the Carolinas and Virginia reach the markets with almost two-thirds of the early potato output.

Besides the southern increase, there is 14 per cent gain intended in the far West, which has done well with this crop for the past two seasons. The great Eastern and North Central potato sections are not as yet planning to increase much if any. The undesirable feature at present is that so much of the larger production would be in sections remote from markets and handicapped by high freight cost, in the event of a return of low prices. The proposed increase of 4.3 per cent for the whole country would still be under the acreage which gave the unprofitably large production of 1924. But any such change in plans as took place in the South would bring on a situation dangerous for the late market.

OTHER CROPS. Prices have shown some general tendency to recover to about the level of February. Potatoes, sweet potatoes, lettuce and onions fully held their own. Some truck products, like beans, cabbage, celery and peas have been high but tend downward as the supply increases. Apples continued their long slow decline owing to liberal supplies, poor condition of some stock, and the unsatisfactory tone of foreign markets.

Sweet potatoes have been fairly high for two seasons because of poor crops. Present intentions to increase plantings by 20 per cent would load the markets heavily if the yield should be good. The four northern sweet potato States are especially liable to overproduction because so large a part of their crop is grown for market.

Tomatoes have been scarce but not so high as they would have been without the heavy imports from Mexico. Tomatoes were overplanted last season in many parts of the country. Indications thus far suggest some increase of the southern crop but a much lighter planting of the mid-season and late crop in the tomato canning sections.

Onions from Texas should begin to enter northern markets in quantity by the middle of April, but producers will attempt to regulate shipments. Old onions are cleaning up at prices well above the lowest. Fairly heavy shipments have been coming from Egypt and these will need to be reckoned with, because of the liberal supply and the poor market this season in other countries. Early cantaloupe growers intend to plant fully one-third more acres, mostly in California. This means by far the greatest total since 1922. Watermelons show no sign of increase yet, except in west Florida.

Truck growers in California, southern Texas, Cuba, and Mexico have been partly filling the gap left by light production in Florida, but the supply of early potatoes, cabbage, celery and beans has been less than usual. Lettuce is one of the few early spring crops in heavy supply.

G. B. Fiske,

Division of Fruits and Vegetables, B. A. E.

- 19 -
CONDITIONS IN COLORADO

The middle of March generally finds Colorado showing fair to excellent moisture conditions except in the southeast where moisture continues to be short. Precipitation was generally very light during February except in the higher altitudes. No official reports are yet available as to the amount of snow in the mountains. Incomplete reports for the end of February generally show the snowfall less than a year ago and not very encouraging. Thus far for March, the snowfall is indicated as normal or above.

Winter wheat is mostly doing well. All livestock came through the winter in excellent condition. Feed supplies are generally abundant and in localities there are surpluses. Prices are generally reasonable with some marked declines in localities. There have been few losses of any kind of livestock. There have been more inquiries for farm lands than a year ago and practically all desirable farms are now rented.

The demand for machinery is considered better than last year in most sections of the State. Farmers are generally more hopeful than a year ago and usually in some better situation financially. They have been able to liquidate some of their indebtedness and expand slightly in their farm operations. Most of the increased income has been due to excellent prices for wheat, potatoes, cabbage and onions, and improved prices for cattle and hogs.

Stock sheep have commanded good prices, but the sheep feeder deal has proved disappointing and losing the feeders considerable money. Poultry and eggs continue discouragingly low for this time of year.

During the latter part of February, potatoes slumped off slightly in price but have again strengthened so that the outlook for the completion of the marketing of the potato crop is good. Credit for farm operations promises to be fairly satisfactory.

W. W. Putnam.

State Statistician, B. A. E.]

CONDITIONS IN TEXAS

With one exception the month of February was the driest on record in Texas, but abundant rains in March have made a great improvement everywhere except in the northwest where more moisture was needed by the small grains and the pastures. Preparations for planting are well advanced, and prospects for a successful crop year seem very bright. Sowing of barley and spring oats has made good progress, corn is coming up to a good stand, and cotton planting is extending northward from the valley and the Robstown sections. Low temperatures did some damage to fruit in low places, but as a whole orchards are in a promising condition and are being given more attention than in many years. Ranges and livestock are improving steadily, and rice and no change in the hay acreage compared with last year. Well

If the Texas farmers' reported intentions to plant are carried out this year, there will be a large increase in corn, oats, barley, peanuts, white and sweet potatoes, a somewhat smaller acreage of grain sorghums

prepared land and sufficient moisture are in distinct contrast to the spring of 1925 when the long continued absence of rainfall compelled the farmers to divert much of their acreage to cotton and the more drought-resistant row crops.

Even with the great indicated increase in corn acreage, Texas would have only about 3,848,000 acres. The area devoted to this crop has undergone a steady decline during the past decade, from over 6,000,000 acres in 1916 to slightly more than 3,000,000 in 1925. In this period the acreage of cotton has increased from 11,400,000 to 18,000,000 acres and the number of swine has decreased from 3,197,000 to 1,062,000 head. Last year's bitter experience has turned the attention of many to the merits of the grain sorghums with the result that in numerous sections this crop is being grown for the first time.

The spring movement of cattle to Kansas and Oklahoma grass has begun and grass-fat cattle from south Texas are moving in numbers very much larger than last year. It is expected that shipments out of the State will aggregate 533,000 head, or somewhat heavier than during the spring of 1925. Calves, lambs, and kids are dropping fast and losses are very light owing to the favorable range and weather conditions. The mohair clip is about over and has been most satisfactory.

Business conditions are favorable on the whole, while finances in both city and rural districts have a confident tone. Income-tax payments in the territory which suffered most from the drought are higher than a year ago, a condition due largely to activity in oil development and better returns from livestock. Road building and city construction continue at a high level.

H. H. Schutz,

State Statistician, B. A. E.